

ShawPittman LLP

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SUSAN M. HAFELI
(202) 663-8414
susan.hafeli@shawpittman.com

EX PARTE OR LATE FILED

July 16, 2003

RECEIVED

JUL 16 2003

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

EX PARTE

Marlene H. Dortch
Secretary
Federal Communications Commission
445 Twelfth Street, S.W.
Portals II, TW-A325
Washington, D.C. 20554

Re: Application of SBC Communications Inc., Michigan Bell Telephone Company, and Southwestern Bell Communications Services, Inc. for Provision of In-Region, InterLATA Services in Michigan WC Docket No. 03-138

Dear Ms. Dortch:

On July 16, 2003, on behalf of the National ALEC Association ("NALA"), Glenn Richards and Susan Hafeli met with Jennifer McKee, Aaron Goldschmidt, Russ Hanser and Gina Spade of the Wireline Competition Bureau to discuss the above-captioned proceeding.

The discussion focused on the issues raised in NALA's July 2, 2003 Opposition, with a particular focus on SBC's call blocking, deposit requirements and escrow policy. NALA emphasized the anti-competitive ramifications of SBC's policies. As NALA explained, SBC's call blocking policy, in conjunction with its escrow policy, eliminates the incentive for SBC to enforce its service blocks and contributes to billing disputes. NALA noted that these issues were raised in the Formal Complaint of CAT Communications International, Inc. ("CCI") against SBC, filed July 10, 2003. A copy of CCI's Formal Complaint was provided to the Commission and is attached hereto.

NALA also explained that SBC's continuing demands for a deposit of up to three months of charges was inconsistent with Commission policy and further demonstrated SBC's intent to hinder its competitors.

NALA explained that the Commission should be sensitive to the anti-competitive practices that SBC is imposing in other states in light of SBC's reliance on multi-state interconnection agreements. These practices include the imposition of a substantial monthly recurring operations support systems ("OSS") charge and a non-recurring charge for mandatory operator service/directory assistance call branding. These charges, which NALA believes are unique to SBC, appear intended only to drive up competitors' costs.

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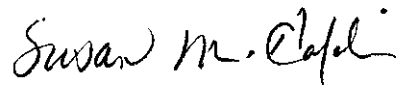
ShawPittman LLP

July 16, 2003

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Please do not hesitate to contact the undersigned should you have any questions.

Sincerely,



Glenn S. Richards
Susan M. Hafeli

Attachment

cc: J. McKee (without attachment)
A. Goldschmidt (without attachment)
R. Hanser (without attachment)
G. Spade (without attachment)

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LOOMIS, EWERT, PARSLEY, DAVIS & GOTTING

A PROFESSIONAL CORPORATION

232 SOUTH CAPITOL AVENUE, SUITE 1000

LANSING, MICHIGAN 48933

TELEPHONE (517) 482-2400 FACSIMILE (517) 482-7227

JACK C. DAVIS, PC
KARL L. GOTTING, PC
DAVID M. LICK
HARVEY J. MESSING
JAMES R. NEAL
KENNETH W. BEALL
MICHAEL G. OLIVA
JEFFREY W. BRACKEN
CATHERINE A. JACOBS
RONALD W. BLOOMBERG
MICHAEL H. RHODES
JEFFREY L. GREEN

GARY L. FIELD
SHERRI A. WELLMAN
KELLY K. REED
JEFFREY S. THEUER
DANIEL L. PULTER
ELDONNA M. RUDDOCK
KEVIN J. RORAGEN
THERESA A. SHEETS
LISA A. HANSON
MICHAEL C. RAMPE
SARA L. LAFLEUR
TRACEY L. LACKMAN

PLUMMER SNYDER
(1900-1974)

HOWARD J. SOIFER
(1949-2003)

GEORGE W. LOOMIS
QUENTIN A. EWERT
WILLIAM D. PARSLEY
OF COUNSEL

July 10, 2003

Dorothy Wideman
Executive Secretary
Michigan Public Service Commission
6545 Mercantile Way
P.O. Box 31221
Lansing, MI 48990-7504

Re: MPSC Case No. U-13821 (e-file)

Dear Ms. Wideman:

Enclosed for filing are original and four (4) copies of **Formal Complaint and Demand for Contested Case Proceeding and Direct Testimony and Exhibits of Marie Tate on Behalf of CAT Communications International, Inc.**

Very truly yours,

LOOMIS, EWERT, PARSLEY,
DAVIS & GOTTING, P.C.

Michael C. Rampe
Michael C. Rampe

MCR/edl
Enclosures

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STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the Matter of the Complaint)
of CAT Communications)
International, Inc. against Michigan)
Bell Telephone Company)
d/b/a Ameritech Michigan)

Case No. U-13821

FORMAL COMPLAINT AND DEMAND FOR CONTESTED CASE PROCEEDING

CAT Communications International, Inc. ("CAT"), by and through its attorneys, states as follows:

PARTIES

1. Complainant CAT is organized under the laws of the Commonwealth of Virginia, with its principal place of business located at 3435 Chip Drive, Roanoke, VA 24012.
2. Michigan Bell Telephone Company d/b/a Ameritech Michigan ("Ameritech") is a corporation organized under the laws of the State of Michigan, with its principal place of business located at 444 Michigan Avenue, Room 1700, Detroit, MI 48226. Ameritech is a wholly owned subsidiary of Ameritech Corporation, which in turn is wholly owned by SBC Communications, Inc.

JURISDICTION

3. Pursuant to § 201 of the Michigan Telecommunications Act ("Act"), MCL 484.2201, the Michigan Public Service Commission ("Commission") has jurisdiction and authority to administer the Act. One of the purposes of the Act is to ensure effective review and

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disposition of disputes between telecommunications providers.¹ By definition, both CAT and Ameritech are telecommunications providers.²

4. Pursuant to § 205(1) of the Act, MCL 484.2205(1), the Commission has authority to investigate and resolve complaints under the Act. Pursuant to § 203(1) of the Act, MCL 484.2203(1), the Commission has authority to hold contested hearings, and to issue findings and orders.

5. Ameritech is a basic local exchange service provider. Pursuant to § 305 of the Act, MCL 484.2305, the Commission has jurisdiction over basic local exchange service providers. Section 305(1)(c) of the Act mandates that basic local exchange service providers shall not degrade the quality of access service provided to another provider. Therefore, the Commission has jurisdiction and authority to adjudicate CAT's claims herein that Ameritech violated this provision. Such violations include Ameritech's provision of defective blocking features for collect calls, third party calls, and "pic" and "lpic" selections that CAT, in turn, provides to its customers. Moreover, Ameritech has improperly billed CAT for toll charge calls that were not blocked by Ameritech's defective call-blocking feature.

6. The parties entered into an Interconnection Agreement on July 30, 2002 ("Agreement") that was approved by an order of the Commission in Case NO. U-13509. Ameritech's violation of § 4.5 of that Agreement, as described below, necessarily means that Ameritech has violated § 305(1)(n) of the Act, MCL 484.2305(1)(n), which bars a party from performing any act prohibited by a Commission order.

7. Ameritech likewise violated §§ 502(1)(a) and 502(1)(h) of the Act, MCL 484.2501-2502, when it improperly billed CAT for toll charge calls that were not blocked by

¹ Section 101(h), MCL 484.2101(h).

² Id. at § 102(cc), MCL 484.2102(cc).

Ameritech's defective call-blocking feature and when it represented that its Toll Billing Exception-A ("TBEA") product was a complete call-blocking service.

8. By virtue of §601 of the Act, MCL 484.2601, the Commission has express authority to assess remedies and penalties against providers that violate the Act, and to "make whole" those who have suffered an economic loss, including awarding costs and attorney's fees.

9. Accordingly, the Commission has jurisdiction over this dispute.

FACTUAL BACKGROUND

10. CAT, a competitive local exchange carrier ("CLEC"), provides local telephone services to residential customers in Michigan. To provide this service, CAT leases unbundled network elements and resells Ameritech's wholesale services.

11. CAT provides residential local telephone services to more than 5,000 Michigan customers, many of whom are individuals who cannot purchase service from Ameritech or other CLECs because they have been previously disconnected for nonpayment of service, have poor or no credit, or can not afford Ameritech's deposit requirements. For a fixed monthly charge, CAT provides these customers with local calling, calling features such as call waiting, and access to toll free and emergency services. CAT's attempts to block its customers' access to expensive and non-essential usage-based services include trying to implement restrictions on its customers' ability to accept or initiate collect and third party calls. By blocking or limiting access to expensive non-essential usage-based services like collect calls, third party calls, and 1-700, 1-900, and 1-976 calls, CAT provides customers with a fixed charge that varies very little from month to month. By avoiding the high cost associated with such calls, CAT customers are better able to pay for their essential basic phone service.

12. Ameritech, an incumbent local exchange carrier ("ILEC"), is the dominant supplier of "last mile" telephone network equipment and transmission facilities throughout its service territory. CAT requires access to this equipment and facilities in order to compete in the local telephone service market, a market in which Ameritech itself is a competitor. Ameritech possesses approximately 87% of the relevant market.

13. CAT cannot reasonably duplicate Ameritech's network and facilities, which were built over the course of several decades at ratepayers' expense when Ameritech's predecessors-in-interest operated as a regulated monopoly.

14. The Agreement the parties entered into describes how the parties will bill each other for services provided as well as the guidelines by which the parties must conduct themselves in the case of a billing dispute. Section 4.5 of the Agreement states that "[e]ach party is solely responsible for all products and services it provides to its End Users and to other Telecommunications Carriers." A copy of the Agreement is attached hereto as Exhibit A.

15. CAT has submitted approximately 17,000 local service requests ("LSR(s)") on behalf of its customers to Ameritech since the date of the Agreement. On each LSR, CAT requests Toll Billing Exception-A ("TBEA") which, according to Ameritech, will restrict the customer's ability to accept collect or third party billed calls. CAT also places on all of its customers' lines an RTV1N block designed to control 1-700, 1-900, and 1-976 calls. In order to prevent its customers from direct dialing by use of "1+ calling," CAT also chooses for its customers (1) a "none" selection for the "lpic" (local preferred inter-exchange carrier for intra-lata calling) and (2) a "none" selection for the "pic" (preferred inter-exchange carrier for inter-lata and inter-state calling). After these selections are made, CAT then submits an LSR to Ameritech by means of an Electronic Data Interface (EDI), which directly accesses the

Ameritech Operating System. Once the LSR has been submitted to Ameritech, its employees cannot change these blocking profiles unless a separate order is submitted to Ameritech by the same EDI method. Ameritech is then required to add the customer's phone number to a database known as the Line Information Database ("LIDB").³

16. LIDBs are created by local exchange carriers. They contain lists of all customers' phone numbers that have TBEA or similar restrictions for receiving or initiating operator assisted collect or third party calls. All LIDBs are inter-connected so that local exchange carriers can share the data contained in the LIDBs.⁴

17. Ameritech maintains its LIDB pursuant to Part 19, Section 11 of its Michigan Tariff No. 2R ("Tariff").

18. Carriers that transport operator-assisted, collect, or third party calls are required to consult the interconnected LIDBs prior to placing these types of calls to a customer. This is done to reduce toll fraud and increase the chances that charges for operator-assisted, collect, and third party calls will be paid by the end user. If the long distance carrier does not have a service relationship with the end user of these types of calls, as is often the case, the long distance carrier cannot bill the end user for the calls unless the it has made a billing and collection agreement with the end user's local carrier. When the long distance carrier and the end user's local carrier have such an agreement, the local carrier will bill the call on behalf of the long distance carrier.

Alternatively, the long distance carrier must get the Billing Name & Address ("BNA") from the

³ In the Matter of Application by SBC Communications, Inc., Southwestern Bell Telephone Company, and Southwestern Bell Communications Services, Inc. d/b/a/ Southwestern Bell Long Distance; Pursuant to Section 271 of the Telecommunications Act of 1996 to Provide In-Region, InterLATA Services in Texas, 15 FCC Rcd 18534, 185449 (Jun. 30, 2000) (describing the process by which Southwestern Bell Telephone updates its LIDB; when an LSR for a new phone number was submitted, Southwestern Bell was required to enter the information into its LIDB).

⁴ In the Matter of Southwestern Bell Telephone Company Petitions for Waiver of Part 69 of the Commission's Rules, 6 FCC Rcd 6095, 6095 (Oct. 4, 1991).

end user's local carrier and can then bill the end user for the call itself. CAT does not have any billing and collection agreements with any long distance carrier, but CAT has always offered to supply, at reasonable rates, BNA information to any carrier interested in billing CAT's customers. To date, Ameritech has not requested such BNA information from CAT.

19. Ameritech has the responsibility to see that its LIDB is updated in a prompt and accurate manner. In fact, if Ameritech were to cause its LIDB records to be updated incorrectly or late, thereby impeding competition from CAT, it could be subject to FCC enforcement action under 47 U.S.C. § 271(d)(6).⁵

20. On behalf of each and every one of its customers, CAT has selected TBEA as well as the other blocks noted above. CAT has done this so that its customers could not initiate or accept expensive operator assisted collect or third party-billed calls, 1+calls, 1-700, 1-900, or 1-976 calls provided by Ameritech or any other carrier. By selecting these blocking profiles, CAT notifies Ameritech and other carriers that CAT customers are not permitted to receive or accept operator-assisted collect calls or other toll charge calls.

21. Despite CAT's selection of the blocks discussed above, CAT customers are still able to accept or initiate operator-assisted collect calls. Many of these operator-assisted calls are made from prisons or correctional facilities, also referred to as "inmate-originated" collect calls. Ameritech notified CAT in January 2003 there was a "Selective Block" which CLECs could place on their resale lines (not une-p lines) to prevent "inmate-originated" calls from being completed. CAT placed this "Selective Block" on its resale lines but continued even then to see "inmate-originated" calls added to their bills from Ameritech.

⁵ 15 FCC Rcd at 18450-51.

22. CAT believes that Ameritech is the service provider for the phones located in these inmate facilities. Ameritech has been completing these "inmate-originated" collect calls to CAT customers despite the TBEA selection and the addition of the "Selective Block" on resale lines after January.

23. CAT cannot be certain why operator assisted collect and third party calls are being completed despite the TBEA designation in the LIDB. One explanation may be that Ameritech is not adding CAT customers to its LIDB despite CAT's request for Ameritech to do so. Another explanation may be that Ameritech is not checking its LIDB before placing operator-assisted collect and third party calls. In either case, Ameritech is responsible.

24. Notwithstanding its' responsibility, Ameritech has billed CAT \$106,293.64 for these operator assisted toll charge calls which were, in effect, "getting through" the TBEA and other Ameritech blocks. Ameritech has tried to make CAT its billing and collection agent for charges that end-users have incurred despite the TBEA designation, a role that CAT should not be required to accept. CAT has spent an enormous amount of time and money extensively analyzing the electronic files sent to CAT by Ameritech. These files are used to explain in detail the particulars of any inbound and outbound traffic passing to and from CAT customer lines. Upon analysis, CAT has found \$106,293 erroneously billed to CAT by Ameritech. Of that total, \$11,017.72 consisted of customer dialed 1+ outbound calls which clearly should have been blocked by CAT's selection of "none" pics and lpics. Because all of CAT's customers had "none" selections for pics and lpics, these customers must have been "slammed" to other long distance carriers, perhaps Ameritech itself, without the express knowledge or authorization of the customer or its local service provider, CAT. An additional \$84,830.15 was erroneously billed to

CAT by Ameritech for operator-assisted calls connected by Ameritech operators⁶. Ameritech also erroneously billed \$10,461.20 for operator-assisted inbound collect and third party calls, which likely were being handled by Ameritech inbound operators (and not a third party LEC other than Ameritech), but these inbound operator-assisted collect and third party calls should have been blocked by the TBE-A block which CAT places on all of its customers' lines. Upon receipt of these bills, CAT attempted to discuss the problem with Ameritech, pointing to CAT's request for the very feature that was supposed to prevent these calls. In fact, Ameritech itself defined TBEA in a November 20, 2001 Accessible Letter as "TBE-A = No collect call or third number billing accepted"(emphasis added)." A copy of this letter is attached hereto as Exhibit B. CAT selected the TBEA option, assuming that it would function as defined.

25. More recently, Ameritech identified a problem with TBEA when, in a series of Accessible Letters sent to CLECs, Ameritech discussed inmate-originated collect call blocking options. These letters suggest that Ameritech itself did not know when or whether TBEA would function as defined. For example, on July 27, 2001, Ameritech sent an Accessible Letter to CLECs indicating that there were a high volume of inmate-originated collect calls being improperly completed through Ameritech's system. Ameritech also announced that it was going to offer, at no charge to CLECs, the option to use an undefined "Selective Block" that would prevent inmate-originated collect calls. A copy of this letter is attached hereto as Exhibit C.

⁶ CAT believes that the \$84,830.15 is for charges incurred when a CAT customer dials "O" and requests that the Ameritech operator complete a toll call. CAT believes that Ameritech operators should know that customers with TBEA and "none" selections for pic and lpic are toll-restricted and are a high risk for collection of expensive, usage-based charges. As a result, Ameritech, not CAT, should be responsible for collecting these charges directly from the end users. As noted in ¶ 18, CAT is willing to provide Ameritech the BNA for end users that originate "O" dialed toll call, but to date, Ameritech has not requested such BNA information from CAT. CAT is not willing to be responsible to Ameritech for its end users' charges.

26. Ameritech then contradicted its own position on TBEA, suggesting in a March 22, 2002 Accessible Letter that TBEA was more effective than its "Selective Block" feature. A copy of this letter is attached hereto as Exhibit D. As CAT knew from examining its bills, however, TBEA was (and is) still not functioning properly. Ameritech operators continue to allow CAT customers to accept operator-assisted collect and third party calls. CAT is still being charged for operator-assisted calls that Ameritech mistakenly completes.

27. On August 6, 2002, Ameritech sent another Accessible Letter requiring all CLECs to enter into Billing and Settlement Agreement(s) ("B&S Agreement") if their Interconnection Agreements did not contain billing and settlement terms. To entice CLECs into negotiating B&S Agreements, Ameritech reserved the right to force upon any CLEC that refused to negotiate a B&S Agreement its still-undefined "Selective Block." Ameritech wrote that this "Selective Block" would prevent all call traffic from inmate facilities to any customer of a CLEC that refused to enter into a B&S Agreement. A copy of this letter is attached hereto as Exhibit E. Ameritech's threat suggests that it has the ability to block calls from inmate facilities but was not doing so through TBEA, despite its advertised use as a complete collect call-blocking service.

28. In the same August 6 letter, Ameritech went on to suggest that while its "Selective Block" feature would prevent call traffic from inmate facilities, Ameritech might instead force a TBEA block upon any CLEC that would not negotiate a B&S Agreement. Contrary to its previous statements, this seemed to suggest that TBEA could, in fact, function to block all inmate-originated collect calls, whereas the "Selective Block" might not. As CAT was aware, however, neither TBEA nor the "Selective Block" was preventing such calls.

29. The August 6 letter also offered CLECs a "Prepay Option," whereby CLEC end user customers could prepay for inmate-originated collect calls. In describing this option,

Ameritech stated that when a prepaid account was depleted, Ameritech would then automatically block all inmate-originated calls unless and until the account was replenished. By offering this option, it seems that Ameritech has the capability to prevent operator-assisted calls. If it does, however, Ameritech has not provided CLECs with such capability.

30. The ambiguities presented in the above-described letters demonstrate that the LIDB did not function as described by Ameritech. In at least one letter, Ameritech represented that TBEA was a complete call blocking service. In CAT's experience, TBEA does not serve this function. By making such a false representation about TBEA's functionality, Ameritech has violated § 502(1)(a) of the Act, which prohibits the making of "statement[s] or representation[s]...regarding the...terms...or conditions of providing a telecommunications service that [are] false...."

31. Since December 2001, Ameritech has charged CAT \$106,293.64 for 1+ and operator-assisted collect and third party calls initiated by or accepted by CAT's customers. CAT has disputed these charges. Ameritech has attempted to collect these charges for calls it has allowed CAT customers to incur; as such, Ameritech has caused a misunderstanding as to who is legally responsible and obligated to pay for the charges. Moreover, Ameritech has attempted to use this misunderstanding to collect payment from CAT for charges for which CAT is not obligated. By failing to block 1+ and operator-assisted collect and third party calls and insisting that CAT pay for such calls, Ameritech has violated § 502(1)(h) of the Act, which prohibits a telecommunications providers from causing a "probability of confusion or a misunderstanding as to the legal rights, obligations, or remedies of a party to a transaction."

32. Section 4.5 of the Agreement requires Ameritech to take sole responsibility for the products and services it provides to telecommunications carriers such as CAT. Ameritech

provided CAT a defective product and then compounded the problem by seeking to hold CAT responsible for the monetary ramifications of its own failure. By not taking sole responsibility for its TBEA product, Ameritech violated this section of the Agreement. Moreover, because the Agreement was approved by a Commission order, and because § 305(1)(n) of the Act prohibits actions that violate Commission orders, Ameritech violated the Act by shirking its responsibility concerning its TBEA product.

33. The parties have not been able to resolve this dispute. Pursuant to the Agreement's dispute resolution provisions, CAT brings this matter to the Commission for resolution.

34. The Direct Testimony of Marie Tate, CAT's Manager of Finance, is attached hereto as Exhibit F.

WHEREFORE, Complainant respectfully requests that the Commission grant it the following relief:

(A) Issue an order, pursuant to § 601 of the Act, MCL 484.2601, requiring Ameritech to credit CAT \$106,293.64 in past charges for operator-assisted and 1+ long distance calls made to or by CAT customers for whom both TBEA and "none" pics and lpics were selected; and

(B) Issue an order, pursuant to § 601, requiring Ameritech to promptly remedy the problem whereby it improperly completes operator-assisted collect and third party calls to CAT's customers for whom TBEA has been selected; and

(C) Issue an order, pursuant to § 601, requiring Ameritech to promptly remedy the problem known as "leakage" whereby long distance calls made by CAT's customers through "1+" dialing are completed despite the selection of "none" for their pics and lpics; and the

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problem of leakage when long distance calls by way of 1+ are completed even though customers have had "none" pics and lpics; and

(D) Issue an order, pursuant to § 601, requiring Ameritech to desist from charging CAT for any future operator-assisted collect or third party calls improperly completed to CAT's customers for whom TBEA and/or the "Selective Block" has been selected; and

(E) Because Ameritech's violations are continuous in nature, issue an order imposing a separate fine on Ameritech for each day it continues to violate the Act; and

(F) Issue an order requiring Ameritech to pay CAT the costs and attorneys fees it incurred in this case; and

(G) Grant such other relief that the Commission deems appropriate.

Dated: July 10, 2003

Respectfully submitted,

CAT COMMUNICATIONS INTERNATIONAL,
INC.

Michael C. Rampe

By one of its Attorneys

Harvey J. Messing (P23309)

Michael C. Rampe (P58189)

LOOMIS, EWERT, PARSLEY

DAVIS & GOTTING, P.C.

232 S. Capitol Ave., Suite 1000

Lansing, MI 48933-1525

(517) 482-2400

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

_____)
In the matter of the Formal Complaint and)
Demand for Contested Case Proceeding) Case No. U-13821
against Michigan Bell Telephone Company)
d/b/a SBC)
_____)

**DIRECT TESTIMONY AND EXHIBITS OF MARIE TATE ON BEHALF OF
CAT COMMUNICATIONS INTERNATIONAL, INC.**

Q. Please state your name and address.

A. My name is Marie Tate. My business address is 3435 Chip Drive, Roanoke, Virginia,
24012.

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to provide factual support for the Formal Complaint and
Demand for Contested Case Proceeding ("Complaint") of CAT Communications
International, Inc. ("CAT") against Michigan Bell Telephone Company d/b/a Ameritech
Michigan ("Ameritech") for its numerous violations of the Michigan
Telecommunications Act ("Act"). As set forth in the Complaint, Ameritech has
committed numerous violations of the Act, which has resulted in CAT suffering at least

1 \$106,293.64 in damages. Ameritech's statutory violations include the provision of
2 defective collect-call blocking features that CAT provides to its own customers, and the
3 improper billing for calls not blocked by those defective features. Between October 2000
4 and January 2001, Ameritech made numerous false statements and misrepresentations to
5 CAT relative to its provision of the Line Information Database ("LIDB") and call-
6 blocking features such as the Toll Billing Exception-A ("TBEA").

7

8 **Q. Are you sponsoring any exhibits?**

9 A. Yes, I am sponsoring Exhibits MT-1 through MT-4.

10

11 **Q. Were these exhibits prepared by you or under your direct supervision?**

12 A. Yes.

13

14 **Q. Please state your employer and corporate position.**

15 A. I am CAT's Manager of Finance.

16

17 **Q. Please describe your work background.**

18 A. I have worked for CAT for over four years; prior to that I was an Administrative
19 Assistant at a Certified Public Accounting firm for over 13 years.

1 **Q. What type of business does CAT conduct?**

2 A. CAT provides residential local telephone services to more than 5,000 Michigan
3 customers who cannot purchase service from Ameritech because they have been
4 previously disconnected for nonpayment, have poor or no credit, or cannot afford the
5 often large deposits required by Ameritech. CAT provides these customers with service
6 for a fixed monthly charge. CAT attempts to block and limit its' customers' access to
7 expensive, non-essential usage-based services so that this monthly charge varies little.

8

9 **Q. What are your duties and responsibilities as Manager of Finance?**

10 A. I am responsible for the Internal Auditing Department and the Accounts Receivables
11 Department. In that capacity, I developed CAT's auditing policies and procedures. The
12 departments for which I have responsibility perform the accurate and timely verification
13 of CAT's monthly carrier billings. These departments also handle the billing error claims
14 associated with the monthly carrier billings. I also supervise the handling of escalated
15 claims disputes and the negotiation of claims settlements with carriers.

16

17 **Q. Please explain how your company relies on access to Ameritech's equipment and**
18 **transmission facilities in order to serve CAT's customers.**

19 A. Ameritech is an incumbent local exchange carrier, and it is the dominant supplier of "last
20 mile" telephone network equipment and transmission facilities throughout its service
21 territory. CAT requires access to this equipment and facilities in order to compete in the

1 local market. CAT cannot reasonably duplicate Ameritech's network and facilities. In
2 order to obtain access to Ameritech's equipment and facilities, CAT entered into an
3 Interconnection Agreement with Ameritech on July 30, 2002 ("Agreement") in which the
4 parties agreed to exchange certain services.

5

6 **Q. Under the Agreement, what services does Ameritech provide to CAT and what does**
7 **CAT provide in return?**

8 A. Ameritech supplies local telephone exchange services (resale and une-p) to CAT that
9 CAT then resells. In exchange, CAT provides revenue (in excess of \$1.3 M to date) to
10 Ameritech for services provided.

11

12 **Q. Please describe how the Agreement provides for each parties' responsibilities vis-à-**
13 **vis the services provided?**

14 A. Section 4.5, attached as Exhibit MT-1, states that "each party is solely responsible for all
15 products and services it provides to its End Users and to other Telecommunications
16 Carriers." As such, Ameritech is responsible for the services it provides to CAT.

17

18 **Q. Please explain how CAT obtains service from Ameritech for its customers'**
19 **accounts.**

1 A. CAT submits Local Service Requests (“LSRs”) to Ameritech on behalf of its customers.
2 To date, CAT has submitted approximately 17,000 local LSRs to Ameritech.
3

4 **Q. What features does CAT request on LSRs for each of its customers?**

5 A. For each and every customer, CAT requests TBEA in each LSR it submits to SBC. CAT
6 also requests an RTVIN block on each customers’ account. CAT also makes a “none”
7 selection for the local preferred inter-exchange carrier for intra-lata calling (“lpic”) and a
8 “none” selection of the preferred inter-exchange carrier for inter-lata and inter-state
9 calling (“pic”).
10

11 **Q. Please explain how each of these features function.**

12 A. According to Ameritech (1) TBEA restricts the customer’s ability to accept or initiate
13 collect or third party operator-assisted calls; (2) RTVIN block controls 1-700, 1-900, and
14 1-976 calls; and (3) lpic none and pic none prevent the use of direct dialing by “1+
15 calling.”
16

17 **Q. How are CAT’s LSRs with these selections submitted to Ameritech?**

18 A. Via an Electronic Data Interface (“EDI”) which directly accesses the Ameritech
19 Operating System.
20

1 **Q. What is Ameritech required to do once an LSR is entered in the EDI?**

2 A. SBC is required to place that customer's phone number into the LIDB.

3

4 **Q. What exactly is a LIDB?**

5 A. A LIDB contains a list of all customers' phone numbers that have TBEA or similar
6 restrictions for receiving or initiating operator-assisted collect or third party calls. LIDBs
7 are all connected so that local exchange carriers can share the data they contain.

8

9 **Q. Who is meant to consult the interconnected LIDBs and when is that consultation**
10 **meant to take place?**

11 A. Carriers that transport operator-assisted collect or third party calls are required to consult
12 the interconnected LIDBs prior to placing a call to a customer.

13

14 **Q. What is the purpose of this consultation?**

15 A. The purpose of the LIDB consultation is to decrease toll fraud and increase the chances
16 that charges for operator-assisted collect and third party calls will be paid. In most cases,
17 carriers do not have a service relationship with the billed customer.

18

19 **Q. Who has the responsibility to see that Ameritech's LIDB is updated promptly and**
20 **accurately?**

1 A. Ameritech itself.

2

3 **Q. What is the basis of CAT's complaint regarding blocks like TBEA?**

4 A. Despite CAT's selection of the TBEA discussed above, CAT customers are still able to
5 accept or initiate operator-assisted collect and third party calls. Many of these operator-
6 assisted calls are made from prisons or correctional facilities and are referred to as
7 "inmate-originated" collect calls.

8

9 **Q. Who is the service provider for the phones located in these correctional facilities?**

10 A. I am not sure, but I believe it is Ameritech

11

12 **Q. Why is Ameritech completing these operator-assisted collect and third party calls to**
13 **CAT customers even where there is a TBEA block designated in the LIDB?**

14 A. I am not sure, but one explanation may be that Ameritech is not adding CAT customers
15 to its LIDB even though CAT asks Ameritech to do so via its selection of TBEA.
16 Another explanation might be that Ameritech is not checking its LIDB before placing the
17 operator-assisted collect and third party calls.

18

1 **Q. Regardless of which of these explanations is true, Ameritech is responsible for the**
2 **improper placement of these calls, correct?**

3 A. Yes.

4

5 **Q. Has Ameritech billed CAT for these improperly completed operator assisted calls?**

6 A. Yes, in an amount totaling more than \$106,293.64.

7

8 **Q. What has CAT done to rectify these improper charges?**

9 A. CAT has attempted to discuss this problem with Ameritech to no avail. CAT has
10 submitted detailed, ANI-by-ANI, month-by-month claims to Ameritech.

11

12 **Q. Please explain CAT's assertion that Ameritech has violated the Act by making false**
13 **representations regarding the provision of telecommunications service.**

14 A. Ameritech itself defined TBEA as "no collect call or third number billing accepted" in a
15 November 20, 2001 Accessible Letter, attached as Exhibit MT-2. These types of calls
16 are getting through the TBEA; as such, Ameritech misrepresented how the TBEA would
17 function.

18

1 **Q. Please elaborate if there are any other bases behind CAT's assertion that Ameritech**
2 **has made misrepresentations concerning the TBEA's functionality.**

3 A. In a series of Accessible Letters addressed to CLECs, Ameritech contradicted its own
4 definition of TBEA functionality. In one letter dated July 27, 2001, Ameritech made it
5 clear that it did not know whether the TBEA functioned as defined, and noted that a high
6 volume of inmate-originated calls were being improperly placed through its own system.
7 Ameritech went on to offer CLECs the use of an undefined "Selective Block" at no
8 charge. Ameritech wrote that this would block all inmate-originated calls. I have
9 attached the July 27, 2001 letter as Exhibit MT-3.

10

11 **Q. Are there any other instances where Ameritech has made misrepresentations to**
12 **CAT concerning the provision of telecommunications service known as the TBEA?**

13 A. Yes. In a March 22, 2002 Accessible Letter, Ameritech reversed the position it took in
14 its July 27, 2001 letter, stating that TBEA was more effective than the still-undefined
15 "Selective Block" feature. I have attached the March 22, 2002 letter as Exhibit MT-4.
16 Further, in an August 6, 2002 Accessible Letter, Ameritech wrote that it reserved the
17 right to force upon any CLEC which would not negotiate a Billing Settlement Agreement
18 ("B&S Agreement") into their Interconnection Agreements its still-undefined "Selective
19 Block." Ameritech wrote that this "Selective Block" would prevent all call traffic from
20 inmate facilities to any customer of a CLEC which refused to enter into a B&S
21 Agreement. This threat suggests that Ameritech does have the ability to completely

1 block operator assisted calls but does not do so through the TBEA, despite its advertised
2 functionality. In this letter, Ameritech also offered CLEC a "Prepaid Option" whereby a
3 CLEC customer could prepay for inmate-originated calls. When the customers' prepaid
4 account was depleted, Ameritech stated that it would automatically block all further
5 inmate-originated calls unless and until the account was replenished. As shown by this
6 offer, Ameritech seems to have the ability to block operator-assisted calls, but is not
7 providing CLECs with a product that functions in this manner.

8

9 **Q. Is the TBEA functioning to block the calls that Ameritech has represented it would**
10 **block?**

11 A. No.

12

13 **Q. How do you know?**

14 A. Because CAT is still being charged for calls operator-assisted calls which Ameritech is
15 mistakenly completing.

16

17 **Q. What is the amount in dispute and what does that amount represent?**

18 A. The total amount of improperly billed to CAT since December 2001 is \$106,293.64.

19 While the vast majority of this amount is related to improperly billed operator-assisted
20 collect and third party calls (\$95,275.92), this total amount also includes \$11,017.72 for